



Case Name: Circle Media, Inc.
And S3 Digital

Case Number: 17-81541

Reporting MM/DD/YY: 2/28/18

Date Bankruptcy Filed: 10/27/17

Monthly Chapter 11 Individual Operating Report - used by all individuals to report personal/household activity.

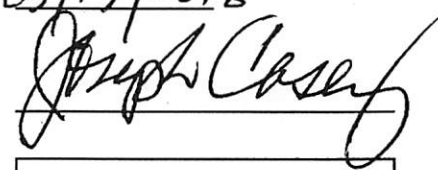
Monthly Chapter 11 Business Operating Report - used to report ALL business activity.

United States Code
Title 18 Crimes and Criminal Procedures
18 U.S.C. SEC. 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements of representations, or makes or uses any false writing or document knowing the same to contain any false fictitious or fraudulent statement or entry, shall be fined not more than \$250,000 or imprisoned no more than five (5) years, or both.

I certify under penalty of perjury that the operating report for above stated month and year is true and correct.

Date Submitted: 03/13/2018

Signed: 

Title: Chief Executive Officer

Printed Name: Joseph Casey

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	BALANCE SHEET (Assets)							
	Filing Date	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	10/27/17	11/30/17	12/31/17	1/31/18	2/28/18			

CURRENT ASSETS

Cash (business accounts)	11.17	11,330.00	175,224.85	164,559.17	163,997.21			
Cash (household accounts)	-	-	-	-	-			
Accounts Receivable, Net (Sch A)	10,000.00	0	0	0	0			
Inventory	-	0	0	0	0			
Prepaid Expenses/Deposits	500,000.00	500,000.00	0	0	0			
Other	-	-						
TOTAL CURRENT ASSETS	510,011.17	511,330.00	175,224.85	164,559.17	163,997.21			

FIXED ASSETS

Cost (Sch B)		-						
Accumulated Depreciation		-						
NET BOOK VALUE		-						

OTHER ASSETS

		-						
TOTAL ASSETS	510,011.17	511,330.00	175,224.85	164,559.17	163,997.21			

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	BALANCE SHEET (Liabilities & Equity)							
	Filing Date	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	10/27/17	11/30/17	12/31/17	1/31/18	2/28/18			
LIABILITIES								
Post Petition Debt (Sch C)	0	104,558.42	11,254.90	17,016.99	3,303.56			
Pre Petition Debt								
Secured	100,000.00	100,000.00	0	0	0			
Unsecured Priority	185,667.71	185,667.71	185,667.71	185,667.71	185,667.71			
Unsecured Non-Priority	5,487,686.93	5,487,686.93	5,487,686.93	5,487,686.93	5,487,686.93			
Other	-	-	-					
TOTAL LIABILITIES	5,773,354.64	5,777,942.06	5,684,609.54	5,690,371.63	5,676,658.20			
EQUITY								
Preferred & Common Stock	426,848.15	426,848.15	426,848.15	426,848.15	426,848.15			
Add'l Paid-In-Capital/Owner draws	5,418,809.53	5,418,809.53	5,418,809.53	5,418,809.53	5,418,809.53			
Retained Earnings/Net Assets								
- through filing date	(8,543,082.55)	(8,543,082.55)	(8,543,082.55)	(8,543,082.55)	(8,543,082.55)			
- post filing date	0	0	0	0	0			
Individual Debtor Capital (Sole Proprietor)								
- through filing date (household net worth)	-	-	-	-				
- post filing date (change in household cash)								
TOTAL EQUITY	(2,697,424.87)	(2,697,424.87)	(2,697,424.87)	(2,697,424.87)	(2,866,424.35)			
TOTAL LIABILITIES & EQUITY	3,075,929.77	3,080,517.19	2,987,184.67	2,992,946.76	2,976,491.73			

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	INCOME (LOSS) STATEMENT					
	Filing Date thru Month End	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	11/30/17	12/31/17	1/31/18	2/28/18		
GROSS SALES	0	0	0	0		
COST OF GOODS SOLD						
Materials	0	0	0	0		
Direct Labor	0	0	0	0		
Manufacturing Overhead	0	0	0	0		
Total Cost of Goods Sold	0	0	0	0		
GROSS PROFIT	0	0	0	0		
OPERATING EXPENSES						
Sales & Marketing	0	0	0	0		
Executive & Mgmt Salaries	76,897.80	16,250.00	8,125.00	0		
Office & Other Salaries	0	0	0	0		
Fringe Benefits (pr taxes)	1,560.95	1,243.13	773.25	0		
Rent	0	0	0	0		
Travel & Entertainment	0	0	0	0		
Attorney Fees	0	34,565.20	0	0		
Insurance	0	0	0	0		
Other Professional Fees	0	0	0	0		
Dues & Subscriptions	0	0	0	0		
Telecommunications	0	0	0	0		
Office Supplies/Misc.	0	7,051.56	1,393.43	561.96		
Other (complete subsequent tab)	14,623.25	510.50	\$59.00	-		
TOTAL OPERATING EXPENSES	-	-		-		
OPERATING INCOME (LOSS)	(93,082.00)	(59,720.39)	(10,350.68)	(561.96)		
OTHER EXPENSES						
USTP Quarterly Fees	975.00	4,875.00 (including Nov.)	5,200.00 (bankruptcy to date)	5,200.00 (bankruptcy to date)		
Depreciation & Amortization	-	-	-	-		
Income Taxes	-	-	-	-		
Interest (net)	-	-	-	-		
TOTAL OTHER EXPENSES	975.00	4,875.00	5,200.00	5,200.00		
OTHER INCOME	0	0	0	0		
NET INCOME (LOSS)	(94,057.00)	(65,245.39)	(15,875.68)	(5,761.96)		

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	CASH FLOW STATEMENT						
	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	11/30/17	12/31/17	1/31/18	2/28/18			
Current Month Cash (business accounts)	11,330.42	175,224.85	164,559.17	163,997.21			
Prior Month Cash (business accounts)	11.16	11,330.42	175,224.85	164,559.17			
NET CASH INCREASE (DECREASE)	11,319.26	163,894.43	(10,665.68)	(561.96)			
SOURCES (USES) OF CASH							
Net Income (Loss)	(94,057.00)	(65,245.39)	(17,055.95)	(561.96)			
Add: Non-cash (dep & amort)	0	0	0	0			
Cash Generated from Operations	0	0	0	0			
ADD: (enter as positive)							
Decrease in Assets							
Accounts Receivable	-	-	-	-			
Inventory	500,000.00	0	0	0			
Prepaid Expenses	-	-	-	-			
Other Current Assets	-	-	-	-			
Fixed Assets	-	-	-	-			
Other Assets	-	-	-	-			
Increase in Liabilities							
Post Petition Debt	104,558.42	11,254.90	17,016.99	3,303.56			
Pre Petition Debt	5,773,354.64	5,673,354.64	5,673,354.64	5,673,354.64			
SUBTRACT: (enter as negative)							
Increase in Assets							
Accounts Receivable	-		-	-			
Inventory	(500,000.00)	(0)	(0)	(0)			
Prepaid Expenses	-		-	-			
Other Current Assets	-		-	-			
Fixed Assets	-		-	-			
Other Assets	-		-	-			
Decrease in Liabilities							
Post Petition Debt	(104,588.42)	(0)	(0)	(0)			
Pre Petition Debt	(5,773,354.64)	(5,773,354.64)	(5,773,354.64)	(5,773,354.64)			
TOTAL SOURCES (USES) OF CASH	11,330.42	175,224.85	164,559.17	163,997.21			
NET CASH INCREASE (DECREASE)	11,319.26	163,894.43	(10,665.68)	(561.96)			

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018		SCHEDULE OF A/R AGING					
		TOTAL ACCOUNTS RECEIVABLE	0 – 30 DAYS	31- 60 DAYS	61 - 90 DAYS	91 – 120 DAYS	OVER 120 DAYS
Filing Date	10/27/17	10,000	10,000				
% of Total		100%	100%				
Month Ending	11/30/17	0	-				
% of Total		100%					
Month Ending	12/31/17	0					
% of Total		100%					
Month Ending	1/31/18	0					
% of Total		100%					
Month Ending	2/28/18	0					
% of Total		100%					
Month Ending	3/31/18						
% of Total							
Month Ending	4/30/18						
% of Total							

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	Schedule of FIXED ASSETS							
	Filing Date	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	10/27/17	11/30/17	12/31/17	1/31/18	2/28/18	3/31/18	4/30/18	5/31/18
Building Land	0	-	-	-	-			
Improvements	0	-	-	-	-			
Office Furniture and Equipment	0	-	-	-	-			
Shop Machinery & Equipment	0	-	-	-	-			
PC/LAN/Mainframe	0	-	-	-	-			
Automobile	0	-	-	-	-			
Boat/Airplane	0	-	-	-	-			
Intangibles	0	-	-	-	-			
Software	500,000.00	500,000.00	0	0	0			
Other: _____								
Other: _____								
Other: _____								
Other: _____								
Other: _____								
TOTAL	500,000.00	500,000.00	0	0	0			

Circle Media, Inc. and S3 Digital Corp. Case No. 17-81541 Operating Report for Month Ending February 28, 2018	Schedule of POST PETITION DEBT						
	Filing Date	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending	Month Ending
	11/30/17	12/31/17	1/31/18	2/28/18	3/31/18	4/30/18	5/31/18
TRADE ACCOUNTS PAYABLE	-	-	-	-			
TAXES PAYABLE							
Federal payroll taxes	31,315.65	1,243.13	773.25	-			
State payroll taxes	See above	See above	See above	-			
Local payroll taxes	See above	See above	See above	-			
State sales taxes	0	0	0	0			
Real taxes/personal property taxes	0	0	0	0			
Other: _____	0	0	0	0			
TOTAL TAXES PAYABLE	31,365.65	1,243.13	773.25	0			
OTHER LIABILITIES							
Post petition secured debt	104,588.42	0	0	0			
Accrued interest payable	0	0	0	0			
Other: _____	45,582.15	0	0	0			
Other: _____	-						
Other: _____	-						
TOTAL OTHER LIABILITIES		0	0	0			
TOTAL POST PETITION DEBT	181,486.20	1,243.13	773.25	-			

Summary of SIGNIFICANT ITEMS

Carrier or Agent
Name

Amount of Coverage

Policy Expiration Date

Premium Paid
thru Date

9/7/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

2/16/2018

Description

**Current Month
Amount Paid**

**Total Paid
Post Petition**

Payee

Description

**Current Month
Amount Paid**

**Total Paid
Post Petition**

Circle Media, Inc. and S3 Digital Corp.
Case No. 17-81541
Operating Report for Month Ending
February 28, 2018

Summary of SIGNIFICANT ITEMS

3. **PAYMENTS TO TAX ENTITIES (Current Month)**

	Date Paid	Amount Paid	Post Petition Taxes Unpaid
Federal Payroll Taxes*	11/16/17	18,483.24	0
Federal Payroll Taxes*	11/17/17	12,832.42	0
Federal Payroll Taxes*	12/11/17	1,243.13	0
Federal Payroll Taxes*	1/5/18	773.25	0
Federal Payroll Taxes*			
FUTA			
State Payroll Taxes withheld			
SUTA			
State Sales & Use Taxes			
Property Taxes			
Other			

*Includes employee Federal Income Taxes withheld, employee FICA taxes withheld, employee Medicare taxes Withheld, employer FICA match and employer Medicare match.

4. **PAYMENTS OF COMPENSATION (Current Month)**

Name	Amount	Date of Court Order

List all payments made to owners of proprietorships; partners of partnerships; officers, directors and shareholders of corporations.

Circle Media, Inc. and S3 Digital Corp.
Case No. 17-81541
Operating Report for Month Ending
February 28, 2018

Summary of SIGNIFICANT ITEMS

5. PAYMENTS TO PROFESSIONALS (Current Month)

Name	Amount	Date of Court Order

6. RECORD OF DISBURSEMENTS AND PAYMENTS OF QUARTERLY FEES

Period Ending	Total Disbursements	Quarterly Total	Quarterly Fee	Date Paid	Amount Paid	Check Number
January	10,675.68	10,675.68	325.00			
February	516.96	11,192.64	325.00 (no increase)			
March						
April						
May						
June						
July						
August						
September						
October						
November	93,258.00	93,258.00				
December	559,720.39	652,978.39	4,875.00	1/31/18	325.00	Cashier Check

<u>Quarterly Disbursement Range</u>		<u>Fee Due</u>
\$ -	\$ 14,999.99	\$ 325
\$ 15,000.00	\$ 74,999.99	\$ 650
\$ 75,000.00	\$ 149,999.99	\$ 975
\$ 150,000.00	\$ 224,999.99	\$ 1,625
\$ 225,000.00	\$ 299,999.99	\$ 1,950
\$ 300,000.00	\$ 999,999.99	\$ 4,875

<u>Quarterly Disbursement Range</u>		<u>Fee Due</u>
\$ 1,000,000.00	\$ 1,999,999.99	\$ 6,500
\$ 2,000,000.00	\$ 2,999,999.99	\$ 9,750
\$ 3,000,000.00	\$ 4,999,999.99	\$ 10,400
\$ 5,000,000.00	\$ 14,999,999.99	\$ 13,000
\$ 15,000,000.00	\$ 29,999,999.99	\$ 20,000
\$ 30,000,000.00	or more	\$ 30,000

[illegible][illegible]

Wells Fargo Business Choice Checking

Account number: [REDACTED] 2703 ■ February 1, 2018 - February 28, 2018 ■ Page 1 of 4



S3 DIGITAL CORP
 DBA CIRCLE MEDIA
 DEBTOR IN POSSESSION
 CH 11 CASE #17-81540 (NE)
 20965 CORRAL RD
 ELKHORN NE 68022-2107

Questions?

Available by phone 24 hours a day, 7 days a week:
 Telecommunications Relay Services calls accepted

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (003)
 P.O. Box 6995
 Portland, OR 97228-6995

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Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking
 Online Statements
 Business Bill Pay
 Business Spending Report
 Overdraft Protection

**Activity summary**

Beginning balance on 2/1	\$164,559.17
Deposits/Credits	0.00
Withdrawals/Debits	- 561.96
Ending balance on 2/28	\$163,997.21
Average ledger balance this period	\$164,138.47

Account number: [REDACTED] 2703

S3 DIGITAL CORP
 DBA CIRCLE MEDIA
 DEBTOR IN POSSESSION
 CH 11 CASE #17-81540 (NE)

Nebraska Fees account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): [REDACTED]

For Wire Transfers use

Routing Number (RTN): [REDACTED]

Overdraft Protection

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed on your statement or visit your Wells Fargo store.

**WELLS
FARGO****Transaction history**

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
2/2		Recurring Payment authorized on 02/01 [REDACTED] Card [REDACTED]		18.00	164,541.17
2/5		Recurring Payment authorized on 02/02 [REDACTED] Card [REDACTED]		50.00	164,491.17
2/8		Direct Pay Monthly Base		10.00	
2/8		Purchase authorized on 02/07 [REDACTED] Card [REDACTED]		449.00	164,032.17
2/16		Purchase authorized on 02/14 [REDACTED] Card [REDACTED]		5.11	
2/16	<	Business to Business [REDACTED]		29.85	163,997.21
Ending balance on 2/28					163,997.21
Totals			\$0.00	\$561.96	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

< **Business to Business ACH:** If this is a business account, this transaction has a return time frame of one business day from post date. This time frame does not apply to consumer accounts.

Monthly service fee summary

For a complete list of fees and detailed account information, see the Wells Fargo Account Fee and Information Schedule and Account Agreement applicable to your account (EasyPay Card Terms and Conditions for prepaid cards) or talk to a banker. Go to wellsfargo.com/feefaq for a link to these documents, and answers to common monthly service fee questions.

Fee period 02/01/2018 - 02/28/2018	Standard monthly service fee \$14.00	You paid \$0.00
How to avoid the monthly service fee	Minimum required	This fee period
Have any ONE of the following account requirements		
• Average ledger balance	\$7,500.00	\$164,138.00 <input checked="" type="checkbox"/>
• Qualifying transaction from a linked Wells Fargo Business Payroll Services account	1	0 <input type="checkbox"/>
• Qualifying transaction from a linked Wells Fargo Merchant Services account	1	0 <input type="checkbox"/>
• Total number of posted Wells Fargo Debit Card purchases and/or payments	10	4 <input type="checkbox"/>
• Enrollment in a linked Direct Pay service through Wells Fargo Business Online	1	1 <input checked="" type="checkbox"/>
• Combined balances in linked accounts, which may include	\$10,000.00	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> - Average ledger balances in business checking, savings, and time accounts - Most recent statement balance in eligible Wells Fargo business credit cards and lines of credit, and combined average daily balances from the previous month in eligible Wells Fargo business and commercial loans and lines of credit - For complete details on how you can avoid the monthly service fee based on your combined balances please refer to page 7 of the Business Account Fee and Information Schedule at www.wellsfargo.com/biz/fee-information 		

WX/WX

Account transaction fees summary

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge (\$)
Cash Deposited (\$)	0	7,500	0	0.0030	0.00
Transactions	1	200	0	0.50	0.00
Total service charges					\$0.00



IMPORTANT ACCOUNT INFORMATION

Reminder about effect of pending debit card transactions on your account

For each debit card transaction, we place an authorization hold and track the "pending" transaction until the merchant sends the final payment instruction to the bank. We receive final payment instructions for most transactions within one to two business days, but we generally must release the authorization hold after three business days. While pending, these transactions reduce your available balance. If transactions are presented for payment when your account has an insufficient available balance, you may be charged overdraft and/or insufficient fund (NSF) fees on those transactions. The bank will assess no more than eight (8) \$35 overdraft and/or NSF fees per day.

Important information about legal process fees.

The fee for legal order processing, which includes handling levies, writs, garnishments, and any other legal documents that require funds to be attached, remains \$125. However, effective 2/16/18, the bank will assess no more than two legal process fees per account, per calendar month. Please note, the calendar month may not coincide with your statement cycle.

Using Combined Balances to Avoid Monthly Service Fees

We want to share some important information with you about avoiding monthly service fees using combined balances. A checking account with a combined balance option to avoid a monthly service fee cannot be linked to another checking account with a combined balance option. Any other accounts linked to a checking account with a combined balance option to avoid a monthly service fee cannot simultaneously be linked to another checking account with a combined balance option.

For questions or clarification, please call the phone bank number at the top of your statement. We appreciate your business.

